Railway Administration is now working the Extension as a part of the Travancore Railway. The agreement between the Secretary of State and this Government for the working of this branch has not yet been drawn up pending settlement of certain details. The question is now under consideration.

The working of the Railway entailed a loss of Bh. Rs 69,652 for the year ending 31st March 1937 representing the deficit in the interest guaranteed by the Government. The receipts from the Railway are expected to be better in 1113 as there has been some increase in Railway earnings throughout India. Nevertheless, a sum of Rs 50,000 has been provided for 1113 also, as the probable loss to be met by Government. I may mention here that the Government of India have accepted our contention that the loss in the working of the Travancore Railway should be apportioned between the Government of India and this Government in proportion to the Capital outlay incurred on British and Indian State Sections of the Tinnevelly-Quilon line alone, excluding the outlay on the extension to Trivandrum which was financed by this State.

The Government of India have also agreed to the association of an officer of this Government with the Government Examiner of Accounts at Trichinopoly for the audit of the accounts of the Travancore Railway. A lump sum provision of Rs 3,000 has been made in the budget under the Revenue head, "General Administration—Financial Secretariat", for this purpose.

COMMERCIAL UNDERTAKINGS.

46. *Pallivasal Hydro-Electric Project.*—The progress anticipated last year in regard to this project has not been realised due to some difficulties encountered during construction with regard to the foundation of the terminal anchor of the penstocks, and to the disturbances of the ground adjoining the power house which became manifest during the monsoon last year, and which have been fully adverted to in the proceedings of this House. As, at the time when the machinery was being installed in the power house, some cracks developed in the building, it was not considered safe to instal the heavy machinery, etc., in the existing building. A fresh site has accordingly been chosen and it is hoped to complete the levelling of site and excavation of foundation for the new power house before the close of the year. All civil works connected with the Project

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[Rao Bahadur A. Rengaswamy Aiyar.]

have been placed under the control of the Chief Engineer. The Electrical works continue to be under the control of the Chief Engineer for electricity.

It has also been decided that the supply of power should be extended as far as Quilon in order that several industries already in existence and those that are likely to arise in that place may get the benefit of cheap power.

The total estimate for the electrical portion of the works now is Rs 79 lakhs including provision for the extension to Quilon, for the distribution of power in many rural lines and in some of the important towns and municipalities and also for the necessary telephone lines in connection with the whole scheme

It is proposed to appoint a Commercial Engineer for carrying on intensive propaganda at this stage to canvass consumers for the use of electric energy in the various parts of the State and to give the public all the necessary data to enable them to go in for electrical power for their industrial and agricultural requirements. It is proposed to appoint Mr. K. P. P. Menon, Electrical Engineer as the Commercial Engineer also and to appoint an additional Executive Engineer to be in charge of the construction of the Hydro-Electric Scheme with headquarters at Kothamangalam.

The budget of the next year provides for a sum of Rs 25·69 lakhs for electrical works of the scheme and Rs 10·64 lakhs for civil works including the construction of division weir, intake, tunnel, forebay, high pressure pipe line, power house equipment, workshops and electrification of buildings. The total probable expenditure on the Scheme to end of 1113 will amount to Rs 116 lakhs, and a further sum of about Rs 20 lakhs will probably be required to complete the scheme. The total cost of the scheme will thus amount approximately to Rs 136 lakhs as far as can be estimated at present.

It is hoped that all the works will be expedited and the scheme brought into operation by the end of next year.

47. *Trivandrum Electric Supply and Telephone Schemes.*— The total cost of the above schemes is expected to stand at Rs 12·39 lakhs at the close of the next year. The net revenue from the schemes during 1113 is estimated at Rs ·45 of a lakh after payment of interest charges at 5 per cent. per annum and depreciation. This amount is credited to a Reserve Fund under Debt Heads.

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